which some companies think that their projects have been rejected unfairly. "A certain randomness persists at the level of the executive board," says Suresh Iyer, deputy general manager of JSW Steel in Mumbai, which has won the world's largest credit award for any one project, for fuel-replacement at its steel mills. "There is no forum in which companies can defend their projects directly in front of the board."

"The feeling of rejection is worse when you don't know the reason," says a high-level executive at a leading cement company who didn't want to be named. "We applied for two projects with exactly the same methodology. Only one got accepted — although the rejected one is a much stronger case." Of 36 projects that the CDM board has rejected so far, 14 are from India.

"The secretariat is still not resourced adequately, either in numbers or expertise," says Paravastu Rambabu, managing director of Indian operations for the consulting firm Cantor CO2E. He adds that auditing companies face similar capacity constraints.

Furthermore, companies seeking to join the CDM pay the auditors' fees, and that's a conflict of interest, according to critics. Miguez says that such payment arrangements were laid down at Marrakech, but agrees that it would be better if the CDM board paid the auditors itself.

"With every new system, there will be pluses and minuses," notes Iyer. "But as the number of projects grows, and as companies have seen actual money coming in, awareness and confidence in the process is also growing." ■

P. CALINESCU/PANOS

IN BRIEF

SOLAR SELL Colorado State University in Fort Collins says that a spin-off company started by one of its professors could employ up to 500 people to make solar panels that will "dramatically reduce" the price of solar power. AVA Solar will make the panels from glass coated with a film of cadmium telluride, a technology developed by Walajabad Sampath, a mechanical engineer at the university. The university claims that the panels will deliver power to the consumer for less than US\$2 a watt of capacity — about half the cost of currently available alternatives.

PULL TOGETHER Leading drug companies and a group of academic institutions say that they will work together to explore people's genetic susceptibility to the side effects of drugs. The International Serious Adverse Events Consortium, led by Arthur Holder, formerly of Baxter International, is starting off with studies of susceptibility to a skin condition called Stevens-Johnson syndrome and to drug-related liver problems. Pharmaceutical companies hope that genetic tests will eventually become available that will identify patients at risk from taking certain drugs.

BIOFUELS BACKING Amyris Biotechnologies, a company in Emoryville, California, that specializes in designing microorganisms for use in the production of biofuels, has secured \$70 million in funding from venture-capital firms. A tranche of backers led by Duff Ackerman and Goodrich Ventures in San Francisco, California, have come up with the money. Amyris says that the money will help it to develop fuels such as biogasoline, biodiesel and bio jet fuel, which it hopes to bring to the market by 2010.

MARKET WATCH

After the general dip that hit global stock markets at the end of July, the value of nanotechnology companies steadied in the past few months, as investors absorbed a mixed bag of financial results.

The Lux Research nanotech index, charted above, measures the performance of a basket of companies that sell nanotechnology products and services as well as some major industrial corporations that make strategic use of them.

There weren't many star performances among the companies over August and September. Peter Hebert, chief executive of Lux Research, the New York consultancy firm that compiles the index, says that Nanophase Technologies Corporation, a relatively long-established nanomaterials firm in Romeoville, Illinois, is trading well, with sales up 75% from last year. But the market

remains unmoved, with its stock stuck at around \$7 for the past three years.

Flamel Technologies, a drug-delivery company in Vénissieux, France, has gone through a difficult period after losing a deal with the British pharmaceutical giant GlaxoSmithKline. Flamel's stock has fallen steadily from almost \$40 earlier in the year to less than \$9 last week.

But according to Hebert, the sector is encouraged by a pending initial public offering on the Nasdaq for stock in Nanosphere, a spin-off company from Northwestern University in Evanston, Illinois. The molecular-diagnostics company is hoping to raise up to \$100 million from the offering, the date for which is about to be set. "This is one of the first true nanotechnology start-ups to reach the market," Hebert says. "A lot of people will be looking at that — and a number of others could follow." ■

Colin Macilwain